

# TULARE LAKE BASIN WATER STORAGE DISTRICT

ESTABLISHED SEPTEMBER 1926

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January 7, 2008

Delores Brown, Chief  
Office of Environmental Compliance  
California Department of Water Resources  
901 P Street  
Sacramento, CA 95814

Dear Ms. Brown:

The Tulare Lake Basin Water Storage District is one of the 29 public agencies that contract with the Department of Water Resources (DWR) for water supplies from the State Water Project (SWP) and whose customers pay for and benefit from the water supplies provided by the SWP.

DWR has prepared the Draft Environmental Impact Report on the Monterey Amendment to the State Water Project Contracts, including the Kern Water Bank Transfer, and Associated Actions as Part of a Settlement Agreement (Monterey Plus DEIR). The Monterey Plus DEIR re-evaluates the environmental effects of the Monterey Amendment, which has been in operation for over a decade.

The Monterey Amendment amended the 1960s-era SWP contracts between DWR and each of the 29 public agencies. The Monterey Amendment, implemented in 1996, updated a number of state water supply contract provisions to reflect the change in real-world conditions that had occurred and incorporated opportunities for modern, more progressive water management. The Monterey Amendment accomplished a number of significant things, including:

- **Settled dispute over allocations** – The amended water allocation provisions eliminated the agriculture-first shortage requirement for contract water supplies (i.e., Table A water) as well as the agricultural priority to surplus water, and instead require that all water be allocated in proportion to contractors' contract amounts. In exchange, the agricultural contractors agreed to permanently retire a portion of their contract amounts and permanently transfer an additional portion to urban contractors.

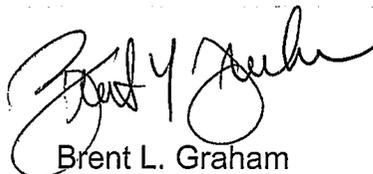
- **Increased rate stability and funding for local investment in water management programs** – The amended financial provisions use contractor money originally committed for additional SWP facilities to instead help contractors stabilize their water rates and increase their funding for local development of water conservation, water recycling, conjunctive use, and other water management programs.

The Monterey Plus DEIR includes an exhaustive analysis of the environmental effects of the Monterey Amendment and Settlement Agreement. Our District feels that the Monterey Plus DEIR, which was drafted with the advisory collaboration of DWR, the State Water Contractors, Planning and Conservation League, Citizens Planning Association of Santa Barbara, and Plumas County Flood Control and Water Conservation District, adequately describes the environmental effects of the Amendment. The analysis in the DEIR shows that:

- There have been no significant environmental impacts resulting from the Monterey Amendment from 1996 through the present.
- Environmental impacts from the Monterey Amendment in almost all resource categories are at less-than-significant levels. Those few areas where potentially significant impacts were identified are for a provision analyzed under a worst-case scenario that is unlikely to ever occur, or for certain future projects that would all be subject to additional, project-level CEQA review.

The District supported implementation of the Monterey Amendment in 1996 and supports its continued implementation. We commend DWR for having prepared this thorough and significant document.

Yours truly,



Brent L. Graham  
General Manager

Copy to:  
TLBWSD Board of Directors  
Bcc:  
State Water Contractors

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